

SENATE BILL

No. 1196

**Introduced by Committee on Local Government (Kehoe (Chair),
Ackerman, Cox, Kuehl, Machado, McClintock, Perata, Soto,
and Torlakson)**

January 24, 2006

An act to amend Sections 53234, 54984.4, 54984.7, 54984.8, 58950, 61107, 65457, 66016, and 66499.7 of, *and to repeal Sections 54984.5 and 54984.6 of*, the Government Code, *to amend Section 2051 of the Health and Safety Code, to amend Sections 22032 and 22034 of the Public Contract Code, to repeal Chapter 5 (commencing with Section 5790) of Division 5 of the Public Resources Code, and to amend Section 2215 of the Revenue and Taxation Code*, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1196, as amended, Committee on Local Government. Local Government Omnibus Act of 2006.

(1) Existing law establishes the procedures for relieving from specified tax liability territory that has been detached from a district.

This bill would correct an obsolete cross-reference in those procedures.

(2) *Existing law requires local officials, as designated by the legislative body of a local agency, to take ethics training courses.*

This bill instead would specify that the local officials are to be designated by the governing body of a local agency and would make a technical change.

(3) The Planning and Zoning Law specifies the requirements for adopting and implementing specific plans.

This bill would delete an obsolete cross-reference in that law to a provision of California Environmental Quality Act relating to environmental impacts for residential development projects.

(4) The Uniform Standby Charge Procedures Act establishes procedures for any local agency authorized by law to provide water, sewer, or water and sewer service, and authorized to collect standby or availability charges or assessment in connection with that service, to fix, give notice, of and collect those charges. Article XIII D of the California Constitution and implementing statutes limit local officials' powers to levy benefit assessments.

This bill would amend that act to conform its provisions to the statutes implementing Article XIII D.

(5) The Mitigation Fee Act specifies how local governmental officials impose fees to recover the costs of processing applications for the costs of processing applications for development projects.

This bill would delete an obsolete cross-reference to a fee that has been consolidated with other fees.

~~(4)~~

(6) The Subdivision Map Act regulates how counties and cities approve the conversion of large landholdings into separate parcels. In those procedures, the Legislature generally employed the term “local agency” to refer to counties and cities.

This bill would conform a provision of that act concerning the posting of security by subdividers to delete the term “public entity” and instead use “local agency.”

~~(5)~~

(7) Existing law limits local officials' compensation and imposes certain restrictions on claims for reimbursement.

This bill would make an additional cross reference to that law in the Mosquito and Vector Control District Law.

(8) The Public Contract Code provides procedures that local agencies are required to follow when they build public works projects. When local agencies voluntarily use the Uniform Public Construction Cost Accounting Act, they may use their own employees for projects worth \$25,000 or less, while projects worth \$100,000 or less require informal bids and those worth more than \$100,000 require formal bids. With respect to projects worth less than \$100,000, if all the informal bids received are in excess of \$100,000, the governing board fo the public agency may adopt a resolution by a ⁴/₅ vote to award the contract at \$110,000 to the lowest responsible bidder, as specified.

This bill would increase those limits from \$25,000 to \$30,000, from \$100,000 to \$125,000, and from \$110,000 to \$137,500, respectively.

(9) The Recreation and Park District Law was recently repealed and reenacted.

This bill would repeal 2 obsolete provisions of that law that were not repealed at that time.

(10) Existing law defines special district for purposes of reimbursement of costs mandated by the state in terms of its statutory authority to levy a property tax rate.

This bill would additionally specify, for those purposes, that a special district is also one that is statutorily authorized to receive an allocation of property tax revenues.

(11) The bill would correct various drafting errors relating to local government.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) This act shall be known and may be cited as
2 the Local Government Omnibus Act of 2006.

3 (b) The Legislature finds and declares that Californians want
4 their governments to be run efficiently and economically and that
5 public officials should avoid waste and duplication whenever
6 possible. The Legislature further finds and declares that it desires
7 to control its own costs by reducing the number of separate bills.
8 Therefore, it is the intent of the Legislature in enacting this act to
9 combine several minor, noncontroversial statutory changes
10 relating to local government into a single measure.

11 SEC. 2. Section 53234 of the Government Code is amended to
12 read:

13 53234. For the purposes of this article, the following terms
14 have the following meanings:

15 (a) “Legislative body” has the same meaning as specified in
16 Section 54952.

17 (b) “Local agency” means a city, county, city and county,
18 charter city, charter county, charter city and county, or special
19 district.

20 (c) “Local agency official” means the following:

(1) Any member of a local agency legislative body or any elected local agency official who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties.

(2) Any employee designated by a local agency ~~legislative~~ governing body to receive the training specified under this article.

(d) “Ethics laws” include, but are not limited to, the following:

(1) Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.

(2) Laws relating to claiming ~~prerequisites~~ *perquisites* of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.

(3) Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.

(4) Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

SEC. 3. Section 54984.4 of the Government Code is amended to read:

54984.4. (a) The local agency shall ~~cause notice of the date, time, and place of hearing on the charge to be published, pursuant to Section 6066, prior to the date set for hearing, in a newspaper of general circulation printed and published within the jurisdiction of the entity, if there is one, and if not, then in a newspaper of general circulation printed and published in the county comply with the notice, protest, and hearing procedures in Section 53753.~~

(b) ~~The local agency shall also cause a notice in writing of the date, time, and place of hearing on the charge to be mailed at least 21 days prior to the date set for hearing, to each owner of land described in the resolution initiating proceedings. The mailed notice shall include the name and address of the local~~

1 agency, a description of the charge and method by which it is
2 proposed to be imposed, the amount of the charge or a schedule
3 of charges, the address or addresses of the place or places where
4 the resolution adopted pursuant to Section 54984.3 may be
5 reviewed, and a summary of the procedures for making a protest
6 set forth in Section 54984.6. The notice shall be mailed to the
7 address shown on the last equalized assessment roll, or known to
8 the secretary or clerk of the local agency.

9 (b) *In the absence of a majority protest, the governing body of*
10 *the local agency may determine to impose the charges.*

11 *SEC. 4. Section 54984.5 of the Government Code is repealed.*

12 ~~54984.5. At the time and place stated in the notice, the~~
13 ~~governing body shall conduct the hearing, and shall hear and~~
14 ~~consider all objections or protests, if any, to the resolution~~
15 ~~referred to in the notice, and may continue the hearing from time~~
16 ~~to time. Upon the conclusion of the hearing, the governing board~~
17 ~~may adopt, revise, change, reduce, or modify, or withdraw a~~
18 ~~charge. The governing board shall make its determination upon~~
19 ~~each assessment or charge described in the resolution, which~~
20 ~~determination shall be final.~~

21 *SEC. 5. Section 54984.6 of the Government Code is repealed.*

22 ~~54984.6. (a) Any landowner desiring to make a protest shall~~
23 ~~do so by written communication filed with the local agency not~~
24 ~~later than the hour set for the hearing. A protest by a landowner~~
25 ~~shall contain a description sufficient to identify the land owned~~
26 ~~by the landowner. A written protest may be withdrawn at any~~
27 ~~time before the determination on the charge by the governing~~
28 ~~body.~~

29 ~~(b) If the governing body receives written protests which are~~
30 ~~not withdrawn at the time of determination by the governing~~
31 ~~body, which protests represent 40 percent of the parcels subject~~
32 ~~to the charges authorized by this chapter, no further proceedings~~
33 ~~may be had under this chapter until a period of one year shall~~
34 ~~have passed from the time of the initiation of this procedure.~~

35 ~~(c) If the governing body receives written protests which are~~
36 ~~not withdrawn at the time of the determination by the governing~~
37 ~~body, which protests represent 15 percent or more of the parcels~~
38 ~~subject to the charges authorized by this chapter the governing~~
39 ~~body may still adopt, revise, change, reduce, or modify a charge,~~
40 ~~but all the charges are ineffective until collectively approved by a~~

majority of the vote in an election within the affected territory in which the owner of one or more parcels may cast one vote for each parcel owned within the affected territory.

SEC. 6. Section 54984.7 of the Government Code is amended to read:

54984.7. If the procedures set forth in this chapter have been at the time a charge was established were followed in a given year, the governing body may, by resolution, continue the charge in successive years at the same rate and in the same manner, but dispensing with the requirement for mailed notice. The local agency shall cause notice of the intent to adopt the resolution to be published pursuant to Section 6066, prior to the date set for adoption, and shall hear any and all objections at the time and place set forth in the notice. The governing body shall, at the time and place specified, conduct the hearing and consider all objections to the assessment, if any. The governing body may, thereafter, adopt, revise, reduce, or modify the assessment or charge, but may not increase the charge, or may overrule any and all objections. The determination of the governing body shall be final. This section shall not apply if the amount of the assessment is increased, or if the governing body makes any change in the areas subject to the assessment, compared to the prior year's assessment. *If new, increased, or extended assessments are proposed, the governing body shall comply with the notice, protest, and hearing procedures in Section 53753.*

SEC. 7. Section 54984.8 of the Government Code is amended to read:

54984.8. After the making of a final determination pursuant to Sections 54984.5 54984.4 and 54984.7 and after any required majority approval by the voter within affected territory, the local agency shall cause the charge to be collected at the same time, and in the same manner, as is available to it under applicable law.

~~SEC. 2.~~

SEC. 8. Section 58950 of the Government Code is amended to read:

58950. If territory has been detached from a district and that detached territory is subject to terms and conditions imposed by the local agency formation commission pursuant to Section 56886 and those terms and conditions require that the detached territory continue to be taxed for the payment of principal and

1 interest on outstanding bonds of the district, the governing body
2 of the district from which the territory was detached may absolve
3 and relieve the detached territory of its annual tax liability as
4 follows:

5 (a) The district board shall, by resolution, declare its intention
6 to relieve the detached territory of its annual tax liability for
7 payment of principal and interest on outstanding district bonds.
8 The resolution shall describe the detached territory, specify the
9 annual liability the territory will be relieved of, state the reason
10 or reasons why the detached territory should be relieved, and fix
11 a time, date, and place for a public hearing on the proposed relief
12 of liability.

13 (b) The district board shall cause notice of the hearing to be
14 published pursuant to Section 6066 in a newspaper of general
15 circulation published in the territory of the district and the
16 detached territory. The notice shall contain all the information
17 specified in subdivision (a), and in lieu of notice the district
18 board may cause a copy of the resolution required in subdivision
19 (a) to be published.

20 (c) At the time, date and place stated in the notice, the district
21 board shall hear and consider all objections or protests to
22 relieving the detached territory of annual liability for payment of
23 principal and interest on outstanding district bonds. The hearing
24 may be continued from time to time. Upon conclusion of the
25 hearing, the district board shall determine by resolution, whether
26 or not the detached territory should be relieved and absolved of
27 any future annual tax liability for the outstanding bonds of the
28 district.

29 (d) If the district board determines that the detached territory
30 should be relieved of annual tax liability, it shall cause a copy of
31 its resolution to be filed pursuant to Section 54902 with the
32 Board of Equalization and the county assessor of the county in
33 which the territory is located. The detached territory shall be
34 relieved and absolved of the annual tax liability for outstanding
35 district bonds imposed by the local agency formation
36 commission in the year next succeeding adoption of the
37 resolution when assessments or taxes are to be levied for
38 payment of the principal and interest on the bonds.

39 Nothing in this section shall be construed as in any way
40 limiting the power of a bondholder to enforce his or her

1 contractual rights and nothing in this section shall affect the
2 ultimate liability of that detached territory for the bonded
3 indebtedness of the district in case of default. This section is
4 intended to provide a means of relieving territory detached from
5 a district from annual assessments for the principal and interest
6 on bonded indebtedness when that territory is no longer receiving
7 the services for which the bonded indebtedness was incurred.

8 ~~SEC. 3.~~

9 *SEC. 9.* Section 61107 of the Government Code is amended
10 to read:

11 61107. (a) If a board of directors desires to divest itself of a
12 power that is authorized pursuant to this chapter and if the
13 termination of that power would require another public agency to
14 provide a new or higher level of services or facilities, the district
15 shall first receive the approval of the local agency formation
16 commission. To the extent feasible, the local agency formation
17 commission shall proceed pursuant to Article 1.5 (commencing
18 with Section 56824.10) of Chapter 5 of Part 3 of Division 3.
19 After receiving the approval of the local agency formation
20 commission, the board of directors may, by ordinance, divest
21 itself of that power.

22 (b) Notwithstanding subdivision (a) of Section 56824.14, the
23 local agency formation commission shall not, after a public
24 hearing called and held for that purpose pursuant to subdivisions
25 (b) and (c) of Section 56824.14, approve a district's proposal to
26 exercise a latent power if the local agency formation commission
27 determines that another local agency already provides
28 substantially similar services or facilities to the territory where
29 the district proposes to exercise that latent power.

30 (c) If a board of directors desires to divest itself of a power
31 that is authorized pursuant to this chapter and if the termination
32 of that power would not require another public agency to provide
33 a new or higher level of services or facilities, the board of
34 directors may, by ordinance, divest itself of that power.

35 ~~SEC. 4.~~

36 *SEC. 10.* Section 65457 of the Government Code is amended
37 to read:

38 65457. (a) Any residential development project, including
39 any subdivision, or any zoning change that is undertaken to
40 implement and is consistent with a specific plan for which an

1 environmental impact report has been certified after January 1,
2 1980, is exempt from the requirements of Division 13
3 (commencing with Section 21000) of the Public Resources Code.
4 However, if after adoption of the specific plan, an event as
5 specified in Section 21166 of the Public Resources Code occurs,
6 the exemption provided by this subdivision does not apply unless
7 and until a supplemental environmental impact report for the
8 specific plan is prepared and certified in accordance with the
9 provisions of Division 13 (commencing with Section 21000) of
10 the Public Resources Code. After a supplemental environmental
11 impact report is certified, the exemption specified in this
12 subdivision applies to projects undertaken pursuant to the
13 specific plan.

14 (b) An action or proceeding alleging that a public agency has
15 approved a project pursuant to a specific plan without having
16 previously certified a supplemental environmental impact report
17 for the specific plan, where required by subdivision (a), shall be
18 commenced within 30 days of the public agency's decision to
19 carry out or approve the project.

20 ~~SEC. 5. Section 66016 of the Government Code is amended~~
21 ~~to read:~~

22 ~~66016. (a) Prior to levying a new fee or service charge, or~~
23 ~~prior to approving an increase in an existing fee or service~~
24 ~~charge, a local agency shall hold at least one open and public~~
25 ~~meeting, at which oral or written presentations can be made, as~~
26 ~~part of a regularly scheduled meeting. Notice of the time and~~
27 ~~place of the meeting, including a general explanation of the~~
28 ~~matter to be considered, and a statement that the data required by~~
29 ~~this section is available, shall be mailed at least 14 days prior to~~
30 ~~the meeting to any interested party who files a written request~~
31 ~~with the local agency for mailed notice of the meeting on new or~~
32 ~~increased fees or service charges. Any written request for mailed~~
33 ~~notices shall be valid for one year from the date on which it is~~
34 ~~filed unless a renewal request is filed. Renewal requests for~~
35 ~~mailed notices shall be filed on or before April 1 of each year.~~
36 ~~The legislative body may establish a reasonable annual charge~~
37 ~~for sending notices based on the estimated cost of providing the~~
38 ~~service. At least 10 days prior to the meeting, the local agency~~
39 ~~shall make available to the public data indicating the amount of~~
40 ~~cost, or estimated cost, required to provide the service for which~~

1 the fee or service charge is levied and the revenue sources
2 anticipated to provide the service, including General Fund
3 revenues. Unless there has been voter approval, as prescribed by
4 Section 66013 or 66014, no local agency shall levy a new fee or
5 service charge or increase an existing fee or service charge to an
6 amount which exceeds the estimated amount required to provide
7 the service for which the fee or service charge is levied. If,
8 however, the fees or service charges create revenues in excess of
9 actual cost, those revenues shall be used to reduce the fee or
10 service charge creating the excess.

11 (b) Any action by a local agency to levy a new fee or service
12 charge or to approve an increase in an existing fee or service
13 charge shall be taken only by ordinance or resolution. The
14 legislative body of a local agency shall not delegate the authority
15 to adopt a new fee or service charge, or to increase a fee or
16 service charge.

17 (c) Any costs incurred by a local agency in conducting the
18 meeting or meetings required pursuant to subdivision (a) may be
19 recovered from fees charged for the services which were the
20 subject of the meeting.

21 (d) This section shall apply only to fees and charges as
22 described in Sections 51287, 56383, 65104, 65456, 65863.7,
23 65909.5, 66013, 66014, and 66451.2 of this code, Sections
24 17951, 19132.3, and 19852 of the Health and Safety Code,
25 Section 41901 of the Public Resources Code, and Section
26 21671.5 of the Public Utilities Code.

27 (e) Any judicial action or proceeding to attack, review, set
28 aside, void, or annul the ordinance, resolution, or motion levying
29 a fee or service charge subject to this section shall be brought
30 pursuant to Section 66022.

31 *SEC. 11. Section 66016 of the Government Code is amended*
32 *to read:*

33 66016. (a) Prior to levying a new fee or service charge, or
34 prior to approving an increase in an existing fee or service
35 charge, a local agency shall hold at least one open and public
36 meeting, at which oral or written presentations can be made, as
37 part of a regularly scheduled meeting. Notice of the time and
38 place of the meeting, including a general explanation of the
39 matter to be considered, and a statement that the data required by
40 this section is available, shall be mailed at least 14 days prior to

1 the meeting to any interested party who files a written request
2 with the local agency for mailed notice of the meeting on new or
3 increased fees or service charges. Any written request for mailed
4 notices shall be valid for one year from the date on which it is
5 filed unless a renewal request is filed. Renewal requests for
6 mailed notices shall be filed on or before April 1 of each year.
7 The legislative body may establish a reasonable annual charge
8 for sending notices based on the estimated cost of providing the
9 service. At least 10 days prior to the meeting, the local agency
10 shall make available to the public data indicating the amount of
11 cost, or estimated cost, required to provide the service for which
12 the fee or service charge is levied and the revenue sources
13 anticipated to provide the service, including General Fund
14 revenues. Unless there has been voter approval, as prescribed by
15 Section 66013 or 66014, no local agency shall levy a new fee or
16 service charge or increase an existing fee or service charge to an
17 amount which exceeds the estimated amount required to provide
18 the service for which the fee or service charge is levied. If,
19 however, the fees or service charges create revenues in excess of
20 actual cost, those revenues shall be used to reduce the fee or
21 service charge creating the excess.

22 (b) Any action by a local agency to levy a new fee or service
23 charge or to approve an increase in an existing fee or service
24 charge shall be taken only by ordinance or resolution. The
25 legislative body of a local agency shall not delegate the authority
26 to adopt a new fee or service charge, or to increase a fee or
27 service charge.

28 (c) Any costs incurred by a local agency in conducting the
29 meeting or meetings required pursuant to subdivision (a) may be
30 recovered from fees charged for the services which were the
31 subject of the meeting.

32 (d) This section shall apply only to fees and charges as
33 described in Sections 51287, 56383, ~~57004~~, 65104, 65456,
34 65584.1, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this
35 code, Sections 17951, 19132.3, and 19852 of the Health and
36 Safety Code, Section 41901 of the Public Resources Code, and
37 Section 21671.5 of the Public Utilities Code.

38 (e) Any judicial action or proceeding to attack, review, set
39 aside, void, or annul the ordinance, resolution, or motion levying

1 a fee or service charge subject to this section shall be brought
2 pursuant to Section 66022.

3 ~~SEC. 6.~~

4 *SEC. 12.* Section 66499.7 of the Government Code is
5 amended to read:

6 66499.7. The security furnished by the subdivider shall be
7 released in whole or in part in the following manner:

8 (a) Security given for faithful performance of any act or
9 agreement shall be released upon the performance of the act or
10 final completion and acceptance of the required work. The
11 legislative body may provide for the partial release of the
12 security upon the partial performance of the act or the acceptance
13 of the work as it progresses, consistent with the provisions of this
14 section. The security may be a surety bond, a cash deposit, a
15 letter of credit, escrow account, or other form of performance
16 guarantee required as security by the legislative body that meets
17 the requirements as acceptable security pursuant to law. If the
18 security furnished by the subdivider is a documentary evidence
19 of security such as a surety bond or a letter of credit, the
20 legislative body shall release the documentary evidence and
21 return the original to the issuer upon performance of the act or
22 final completion and acceptance of the required work. In the
23 event that the legislative body is unable to return the original
24 documentary evidence to the issuer, the security shall be released
25 by written notice sent by certified mail to the subdivider and
26 issuer of the documentary evidence within 30 days of the
27 acceptance of the work. The written notice shall contain a
28 statement that the work for which the security was furnished has
29 been performed or completed and accepted by the legislative
30 body, a description of the project subject to the documentary
31 evidence and the notarized signature of the authorized
32 representative of the legislative body.

33 (b) At the time that the subdivider believes that the obligation
34 to perform the work for which security was required is complete,
35 the subdivider may notify the local agency in writing of the
36 completed work, including a list of work completed. Upon
37 receipt of the written notice, the local agency shall have 45 days
38 to review and comment or approve the completion of the
39 required work. If the local agency does not agree that all work
40 has been completed in accordance with the plans and

1 specifications for the improvements, it shall supply a list of all
2 remaining work to be completed.

3 (c) Within 45 days of receipt of the list of remaining work
4 from the local agency, the subdivider may then provide cost
5 estimates for all remaining work for review and approval by the
6 local agency. Upon receipt of the cost estimates, the local agency
7 shall then have 45 days to review, comment, and approve,
8 modify, or disapprove those cost estimates. No local agency shall
9 be required to engage in this process of partial release more than
10 once between the start of work and completion and acceptance of
11 all work; however, nothing in this section prohibits a local
12 agency from allowing for a partial release as it otherwise deems
13 appropriate.

14 (d) If the local agency approves the cost estimate, the local
15 agency shall release all performance security except for security
16 in an amount up to 200 percent of the cost estimate of the
17 remaining work. The process allowing for a partial release of
18 performance security shall occur when the cost estimate of the
19 remaining work does not exceed 20 percent of the total original
20 performance security unless the local agency allows for a release
21 at an earlier time. Substitute bonds or other security may be used
22 as a replacement for the performance security, subject to the
23 approval of the local agency. If substitute bonds or other security
24 is used as a replacement for the performance security released,
25 the release shall not be effective unless and until the local agency
26 receives and approves that form of replacement security. A
27 reduction in the performance security, authorized under this
28 section, is not, and shall not be deemed to be, an acceptance by
29 the local agency of the completed improvements, and the risk of
30 loss or damage to the improvements and the obligation to
31 maintain the improvements shall remain the sole responsibility of
32 the subdivider until all required public improvements have been
33 accepted by the local agency and all other required improvements
34 have been fully completed in accordance with the plans and
35 specifications for the improvements.

36 (e) The subdivider shall complete the works of improvement
37 until all remaining items are accepted by the local agency.

38 (f) Upon the completion of the improvements, the subdivider,
39 or his or her assigns, shall be notified in writing by the local
40 agency within 45 days.

(g) Within 45 days of the issuance of the notification by the local agency, the release of any remaining performance security shall be placed upon the agenda of the legislative body of the local agency for approval of the release of any remaining performance security. If the local agency delegates authority for the release of performance security to a public official or other employee, any remaining performance security shall be released within 60 days of the issuance of the written statement of completion.

(h) Security securing the payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall, after passage of the time within which claims of lien are required to be recorded pursuant to Article 3 (commencing with Section 3114) of Chapter 2 of Title 15 of Part 4 of Division 3 of the Civil Code and after acceptance of the work, be reduced to an amount equal to the total claimed by all claimants for whom claims of lien have been recorded and notice thereof given in writing to the legislative body, and if no claims have been recorded, the security shall be released in full.

(i) The release shall not apply to any required guarantee and warranty period required by Section 66499.9 for the guarantee or warranty nor to the amount of the security deemed necessary by the local agency for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees.

(j) The legislative body may authorize any of its public officers or employees to authorize release or reduction of the security in accordance with the conditions hereinabove set forth and in accordance with any rules that it may prescribe.

(k) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

SEC. 13. Section 2051 of the Health and Safety Code is amended to read:

2051. A district may authorize the members of its board of trustees and its employees to attend professional, educational, or vocational meetings, and pay their actual and necessary traveling and incidental expenses while on official business. The payment of expenses pursuant to this section may be in addition to the

1 payments made pursuant to Section 2030. *Reimbursement for*
2 *these expenses is subject to Sections 53232.2 and 53232.3 of the*
3 *Government Code.*

4 SEC. 14. Section 22032 of the Public Contract Code is
5 amended to read:

6 22032. (a) Public projects of ~~twenty-five~~ *thirty* thousand
7 dollars ~~—(\$25,000)~~ (\$30,000) or less may be performed by the
8 employees of a public agency by force account, by negotiated
9 contract, or by purchase order.

10 (b) Public projects of one hundred *twenty-five* thousand dollars
11 ~~(\$100,000)~~ (\$125,000) or less may be let to contract by informal
12 procedures as set forth in this article.

13 (c) Public projects of more than one hundred *twenty-five*
14 thousand dollars ~~—(\$100,000)~~ (\$125,000) shall, except as
15 otherwise provided in this article, be let to contract by formal
16 bidding procedure.

17 SEC. 15. Section 22034 of the Public Contract Code is
18 amended to read:

19 22034. Each public agency that elects to become subject to
20 the uniform construction accounting procedures set forth in
21 Article 2 (commencing with Section 22010) shall enact an
22 informal bidding ordinance to govern the selection of contractors
23 to perform public projects pursuant to subdivision (b) of Section
24 22032. The ordinance shall include all of the following:

25 (a) The public agency shall maintain a list of qualified
26 contractors, identified according to categories of work. Minimum
27 criteria for development and maintenance of the contractors list
28 shall be determined by the commission.

29 (b) All contractors on the list for the category of work being
30 bid or all construction trade journals specified in Section 22036,
31 or both all contractors on the list for the category of work being
32 bid and all construction trade journals specified in Section 22036,
33 shall be mailed a notice inviting informal bids unless the product
34 or service is proprietary.

35 (c) All mailing of notices to contractors and construction trade
36 journals pursuant to subdivision (b) shall be completed not less
37 than 10 calendar days before bids are due.

38 (d) The notice inviting informal bids shall describe the project
39 in general terms and how to obtain more detailed information

1 about the project, and state the time and place for the submission
2 of bids.

3 (e) The governing body of the public agency may delegate the
4 authority to award informal contracts to the public works
5 director, general manager, purchasing agent, or other appropriate
6 person.

7 (f) If all bids received are in excess of one hundred *twenty-five*
8 thousand dollars ~~(\$100,000)~~ (\$125,000), the governing body of
9 the public agency may, by adoption of a resolution by a
10 four-fifths vote, award the contract, at one hundred ~~ten~~
11 *thirty-seven* thousand *five hundred* dollars ~~(\$110,000)~~ (\$137,500)
12 or less, to the lowest responsible bidder, if it determines the cost
13 estimate of the public agency was reasonable.

14 *SEC. 16. Chapter 5 (commencing with Section 5790) of*
15 *Division 5 of the Public Resources Code is repealed.*

16 *SEC. 17. Section 2215 of the Revenue and Taxation Code is*
17 *amended to read:*

18 2215. "Special district" means any agency of the state for the
19 local performance of governmental or proprietary functions
20 within limited boundaries. "Special district" includes a county
21 service area, a maintenance district or area, an improvement
22 district or improvement zone, or any other zone or area, formed
23 for the purpose of designating an area within which a property
24 tax rate will be levied to pay for a service or improvement
25 benefiting that area. "Special district" does not include a city, a
26 county, a school district or a community college district. "Special
27 district" does not include any agency which is not authorized by
28 statute to levy a property tax rate *or receive an allocation of*
29 *property tax revenues*. However, for the purpose of the allocation
30 of property taxes pursuant to Chapter 6 (commencing with
31 Section 95) of Part 0.5, and notwithstanding Section 2237, any
32 special district authorized to levy a property tax *or receive an*
33 *allocation of property tax* by the statute under which the district
34 was formed shall be considered a special district.